

ITEL

May 23, 1991

Itel Rail Corporation

550 California Street
San Francisco, CA 94104
(415) 984-4200

Hon. Sidney L. Strickland, Jr., Esq.
Secretary
Interstate Commerce Commission
Washington, DC 20423

1-144A002

RECORDATION NO. 9703 FILED DATES

MAY 24 1991 - 10 16 AM

INTERSTATE COMMERCE COMMISSION

Re: Release and Termination

Dear Mr. Strickland:

On behalf of Itel Rail Corporation, the above instruments, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$15 recordation fee.

Please record this Release and Termination under the Lease Agreement dated September 1, 1975, between Itel Rail Corporation and Atlanta and Saint Andrews Bay Railway Company ("ASAB"), which was filed with the ICC on September 22, 1978, under Recordation No. 9703.

The parties to the aforementioned Release and Termination are listed below:

Itel Rail Corporation (Lessee)
550 California Street
San Francisco, California 94104

McDonnell Douglas Finance Corporation (Lessor)
340 Golden Shore
Long Beach, California 90802

Under this Release and Termination, McDonnell Douglas terminates the Equipment Lease and releases any security interest it has or might have with respect to the Railcars identified on Exhibit A thereto and to the Sublease Assignment with ASAB.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

Patricia Schumacker

Patricia Schumacker
Legal Assistant

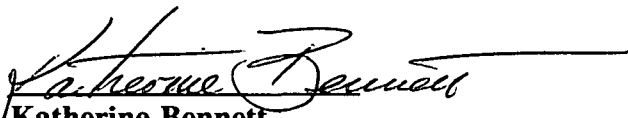
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CERTIFICATION OF TRUE COPY

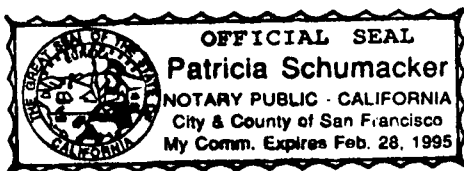
INTERSTATE COMMERCE COMMISSION

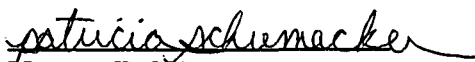
On May 23, 1991, I, Katherine Bennett, examined an original copy of the Release and Termination dated as of April 9, 1991, made by McDonnell Douglas Finance Corporation in favor of Itel Rail Corporation. I hereby certify that I have compared the attached duplicate copy with the original, and that it is a complete, true and correct copy of the original in all respects, including the dates, signatures and acknowledgements thereof.


Katherine Bennett

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

On this 23rd day of May 1991, before me personally appeared Katherine Bennett, personally known to me to be the person whose name is subscribed to the above instrument, and she acknowledged that she executed the same.




Notary Public

MAY 24 1991 - 10 - AM

RELEASE AND TERMINATION

INTERSTATE COMMERCE COMMISSION

This Release and Termination ("Release") is dated as of April 9, 1991, and made by McDonnell Douglas Finance Corporation, a Delaware corporation ("McDonnell Douglas"), in favor of Itel Rail Corporation, a Delaware corporation ("Rail").

WHEREAS, McDonnell Douglas and SSI Rail Corp. ("SSI") entered into an equipment lease agreement, as amended, dated as of March 16, 1976, together with Schedule IER No. 144-001, dated as of March 16, 1976 (such equipment lease as and to the extent it relates to the equipment listed on Schedule IER No. 144-001, and Schedule IER No. 144-001, collectively, the "Equipment Lease"), which was filed with the Interstate Commerce Commission ("I.C.C.") pursuant to 49 U.S.C. Section 11303(a) on March 26, 1976, and given Recordation No. 8246; and

WHEREAS, pursuant to the Equipment Lease, SSI leased from McDonnell Douglas fifty (50) units of railroad equipment (the "Railcars"); and

WHEREAS, as provided for under the Equipment Lease, SSI entered into: (i) a lease agreement dated as of September 1, 1975, with the Atlanta and Saint Andrews Bay Railway Company for ten (10) Railcars bearing reporting marks ASAB 7090 to 7099, which was filed with the I.C.C. pursuant to U.S.C. Section 11303(a) on September 22, 1978, and given Recordation No. 9703 (the "ASAB Sublease"); and (ii) a lease agreement dated as of December 10, 1975, with the Vermont Railway, Inc., for forty (40) Railcars bearing reporting marks VTR 4100 to 4139, which was filed with the I.C.C. pursuant to U.S.C. Section 11303(a), on March 13, 1978, and given Recordation No. 9279 (the "VTR Sublease"); and

WHEREAS, as security for amounts due McDonnell Douglas and for performance of SSI's obligations under the Equipment Lease, SSI assigned its rights under the ASAB Sublease and the VTR Sublease to McDonnell Douglas by way of two assignments of sublease dated March 16, 1976 (the "Assignments"), which Assignments were filed with the I.C.C. pursuant to 49 U.S.C. Section 11303(a), on March 26, 1976 and March 31, 1976, and given Recordation Nos. 8246-A and 8246-C; and

WHEREAS, Itel Corporation, a Delaware corporation that was the parent of SSI merged SSI into itself and assigned to Rail all its right, title and interest in and to the Equipment Lease and the Assignments by way of an Assignment and Amendment of Lease Agreement dated as of February 7, 1983, which was filed with the I.C.C. pursuant to 49 U.S.C. Section 11303(a) on May 27, 1983, and given Recordation No. 8246-K; and

WHEREAS, the Railcars under the VTR Sublease were remarked to the reporting marks of the Hartford and Slocomb Railroad Company ("H&S"), which Railcars now bear reporting marks HS 5058 to 5097 and made a part of a lease agreement dated as of October 15, 1986, as amended, between Rail and H&S, which was filed with the I.C.C. pursuant to 49 U.S.C. Section 11303(a) on December 12, 1986, and given Recordation No. 15148 (as amended, the "H&S Sublease") and which H&S Sublease was assigned to McDonnell Douglas by way of an assignment of sublease dated as of December 11, 1987 (the "H&S Assignment"), which H&S Assignment was filed with the I.C.C. pursuant to 49 U.S.C. Section 11303(a) on December 28, 1987, and given Recordation No. 8246-N; and

WHEREAS, Railcars bearing reporting marks HS 5068, ASAB 7093 and HS 5081 were destroyed and casualty payments for the destroyed cars were made to McDonnell Douglas on July 9, 1988, January 9, 1990 and October 9, 1990, respectively; and

WHEREAS, Rail has repaid its obligations to McDonnell Douglas under the terms of the Equipment Lease and pursuant thereto Rail is granted the option to purchase the Railcars from McDonnell Douglas; and

WHEREAS, effective as of April 9, 1991, Rail has purchased from McDonnell Douglas and McDonnell Douglas has sold to Rail the Railcars identified on Exhibit A attached hereto; and

WHEREAS, McDonnell Douglas has agreed to terminate the Equipment Lease and to release the security interest granted to it under the Assignments and the H&S Assignment (together, the "Sublease Assignments"); and

WHEREAS, McDonnell Douglas and Rail desire to make this Release a matter of public record.

NOW, THEREFORE, pursuant to the premises and the covenants and promises contained in the Equipment Lease and the Sublease Assignments, the parties agree as follows:

- 1. McDonnell Douglas hereby terminates the Equipment Lease, except as to rights and obligations that, by its terms, shall survive expiration or termination, and fully, completely and irrevocably releases any security interest it has or might have in and to the Railcars and the Sublease Assignments, effective as of April 9, 1991.**
- 2. This Release is governed by and construed in accordance with the laws of the State of California.**

IN WITNESS WHEREOF, the undersigned has executed and delivered this Release
as of the date first above written.

**McDONNELL DOUGLAS
FINANCE CORPORATION**

By _____

Director-Equipment Portfolio

Title _____

STATE OF CALIFORNIA

COUNTY OF Los Angeles.

)
) ss.
)

On this 24th day of April, 1991, before me personally appeared Gary A. Willett personally known to me to be to be the person who executed the within instrument as Director - Equip. Portfolio of McDonnell Douglas Finance Corporation and acknowledged to me that the corporation executed it.



Wendy T. Elenes
Notary Public

EXHIBIT A

DESCRIPTION OF RAILROAD EQUIPMENT

| <u>No. of Units</u> | <u>Mechanical Designation</u> | <u>Description</u> | <u>Reporting Marks</u> |
|-------------------------|-----------------------------------|--------------------|---|
| 9 | XM | 50 foot boxcar | ASAB 7090-7092; ASAB 7094-7099 |
| 38 | XM | 50 foot boxcar | HS 5000-5009; HS 5058-5067; HS 5069-5080; HS 5082-5097 |